

### REMARKS

Claims 89-98 and 100-127 are pending in the application. The Advisory Action dated August 13, 2007 states that the proposed amendments will not be entered because amended claims 89 and 90 allegedly raised new matter issue.

Applicants thank Examiner Chen for the telephonic interview of August 20, 2007 with Applicants' representative, T. Christopher Tsang. The version of claims 89 and 90, pending prior to the submission of the Amendment under 37 C.F.R. § 1.116 of August 2, 2007, have been amended according to the Examiner's suggestion on page 2 of the Office Action dated May 11, 2007 to recite an in vitro composition of cells comprising modified cells and unmodified cells of an inbred strain of an animal, or the progenies thereof or both. Claim 89 has also been recited that the composition is being produced by a method comprising introducing a targeting DNA construct into a plurality of unmodified cells of an inbred strain of animal in vitro. No new matter has been added. Support for the amendments can be found, *inter alia*, at page 28, lines 30-37; page 35, lines 20-21 in the specification.

Entry of the amendments and the remarks to the file are respectfully requested. Applicants respectfully submit that the present amendment does not affect the remarks in the Amendment Under 37 C.F.R. § 1.116 filed August 2, 2007, that were made in response to the rejections under 35 U.S.C. § 102. Favorable reconsideration of the application in view of the amendments in the present Supplemental Amendment and remarks in the Amendment under 37 C.F.R. § 1.116 filed August 2, 2007, is respectfully requested. Applicants believe that all claims are now in condition for allowance.

### CONCLUSION

Applicants submit that the pending claims satisfy all of the criteria for patentability and are in condition for allowance. A telephone call to the Applicants' representatives is respectfully requested to discuss any remaining issues and to accelerate allowance of the present application.

No fee is believed to be due for this amendment. Should any fee be required, please charge such fee to Jones Day Deposit Account No. 50-3013.

Respectfully submitted,

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